

To: Rhode Island Renewable Energy Fund Advisory Board  
From: Nancy Selman  
Date: April 2003  
Re: Meeting Minutes for March 11, 2003

Next meeting dates: Second Tuesday of every month. 4/8, 5/13, 6/10, 7/8, 8/12, 9/9, 10/14, 11/11, 12/9.

In attendance: See attached Attendance List.

1) General Business

- a) A letter which had been previously reviewed by the Board was sent to the legislature; a final copy was circulated to the Board prior to the meeting. Included with the letter was the renewable energy outreach/education brochure developed by CRS.
- b) Narragansett has made payments to the SEO of \$300,000 and \$3,918,431 for a Fund balance (as of January 1, 2003) transfer. In addition, a January payment of \$208,000 was made.
- c) NESEA scholarships – The Board approved increasing the budget for scholarships to the NESEA conference by \$2100, to accommodate 21 people on a waiting list. As a result, the total budget for NESEA scholarships is \$4600. NESEA has agreed to make the price to the SEO \$100 per person for the additional 21 people on the waiting list.

2) Green Pricing - Tom Robinson from National Grid gave a presentation to the Board regarding the green pricing program that will allow green power marketers to sell green tag products utilizing Narragansett Electric's billing system. (A Powerpoint file was circulated by Tom by email prior to the meeting.) A similar program was launched in the National Grid Niagara Mohawk ("NIMO") territory last August. The NIMO program has resulted in 6000 new green power customers in that service territory (NIMO has 1.2 million customers in total). National Grid is currently proposing a green pricing program for its MA service territory as well. Combined, the three programs will give green power marketers access to 3.2 million customers across National Grid's NY, MA and RI service areas.

- a) Narragansett is working on a filing with the RI PUC that will include the following.  
These draft documents were circulated prior to the meeting:
  - i) REC Service Supplier Terms and Conditions
  - ii) REC Supplier Service Agreement
- b) Due to limitations in billing system – the program only applies to standard offer and last resort service customers. (It cannot be used with a supplier other than Narragansett who is using Narragansett's bill.) The green pricing program will last as long as Narragansett is providing the underlying electricity commodity supply in RI. The standard offer is scheduled to expire in RI in 2009.
- c) The launch of the green pricing program in RI is anticipated in early Fall 2003.

- d) Narragansett is planning to move ahead with green certificates program regardless of RPS activity.
- 3) RPS – Bob Grace gave a presentation on the two proposals for RPS in RI (see attachment for a copy of the presentation):
  - a) Model legislation is being developed by the RI Greenhouse Gas Stakeholders Group. A draft will be circulated the week of 3/17/03.
  - b) There is also legislation that has been introduced by RIPIRG - HB 5533.  
 The purpose of an RPS is that, in theory, it can be an efficient way to add capacity because it requires suppliers to compete on price. Bob stated that, in his analysis, there will be a shortfall of renewable generation supply in 2003 – but this will ease over the long run as new supply is brought onto the grid. RPS have been adopted in 15 states and proposed in 12 others. Narragansett prefers no RPS.
  - c) Bob presented some of the highlights of the Greenhouse Gas Stakeholders Group proposed legislation model. Some of the highlights are:
    - i) Obligated Entities - All retail suppliers that supply Standard Offer (“SO”) and Last Resort service (“LRS”).
    - ii) Targets - 3% in 2005 escalating to 15% or 20% by 2020. Only up to 2% can be supplied from existing renewable generation stock, the balance is termed the “growth tier”.
    - iii) Supply from New England and possibly from New York may be used:
      - (1) NEPOOL certificates – includes some NEPOOL imports
      - (2) REC’s from NY – verification regime must be put into place
    - iv) Resource Type
      - (1) Solar electric, wind, ocean, geothermal, fuel cells using renewable fuels
      - (2) Hydro plants <= 30 MW capacity, and (for growth tier) only incremental hydro not requiring new impoundment
      - (3) Biomass plants in compliance with valid air permit and using an eligible fuel (includes co-firing with fossil fuels, excludes municipal solid waste), with possible evolution to a sustainable biomass standard
    - v) Vintage - Incremental generation is eligible to meet entire standard and includes:
      - (1) New generation, i.e., post 12/31/97
      - (2) Additions or additional production to existing generation above a historical baseline
    - vi) Enforcement - Oversight and administration will be provided by the RI PUC. PUC will determine generator eligibility. Enforcement tools include:
      - (1) PUC sanctions
      - (2) License suspension or revocation
      - (3) Requirement to file compliance plan

- vii) Accounting and Verification supplied by NEPOOL GIS or NY REC registry/GIS (assuming it is deemed compatible with NEPOOL GIS)
  - viii) The PUC will be authorized to develop minimum contracting standards for SO or LRS providers (e.g. medium to long term commitments)
  - ix) There will be an Alternative Compliance Mechanism (ACM) that is a defacto cost cap for the electricity supplier. In lieu of providing certificates or RECS, the supplier will pay 5 cents/kWhr (esc. @ CPI) to the Fund.
  - x) Interaction of Fund and RPS – The proposed legislation is silent on the interaction of the SBC Fund and RPS, but they are interrelated and the Fund should consider how it wants to support generation built to meet the RPS requirement.
- d) Further information was given on:
- i) Differences between the Greenhouse Gas Stakeholder-proposed RPS legislation model and HB5533
  - ii) Projected renewables supply under RPS and a Green Pricing scenario.
- 4) CRS – would like to make a proposal to the Fund for more of Claudine Schneider’s time for outreach activities. The Board decided it would be better to wait until the Green Pricing initiative by Narragansett was under way (Fall 2003) before allocating additional funds for outreach and education. It was thought that the funds would have greater impact when there were more products easily available through the Narragansett green pricing program.
- 5) Budget – Janice asked for some more input and ideas on the budget. She asked that any ideas for new programs be brought to her attention. Some of the ideas/issues expressed and discussed include:
- a) The SEO is receiving calls from non profit groups that want to install solar, therefore, more funds should be allocated to this area.
  - b) The Fund should have an anemometer loan program.
  - c) Kate Canada and Bob Grace were asked to work with Janice and Nancy to further develop the budget and guidelines.
- 6) DLT training is being scheduled for late April/early May. SEO is looking for a site at which to hold the training – a suggestion was made to have it at a site with an actual installation. Pat Condon will look into this.
- 7) Wind Incentives – a memo sharing a Wind Subgroup’s recommendations on wind incentives was discussed. The Subgroup made a recommendation that an RFI/RFP process be conducted vs. straight incentives. This recommendation was partly in response to previously expressed concerns that incentive programs should not be designed in absence of data from the market. Several objections were raised, including the potential lack of confidentiality inherent in an RFI process conducted by a public entity such as the Fund. There was concern that, among other things, site opposition would be given a chance to organize. A suggestion was made that in order to keep information from the market confidential, a committee would be established to review responses to the RFI. The decision of committee would be the only

public information. In addition, for specific components of information, there could be a confidentiality agreement.

Another objection was that an RFI would be overkill for small projects. Also, it was suggested that a focus group instead of RFI could be an effective way to obtain information. A decision was made that Bob Grace, who has drafted RFPs for the Collaborative in the past, would draft an RFI.

#### Decisions

- 1) The NESEA scholarship budget will be increased by \$2100.
- 2) No increase in funding will be provided to CRS at this time.
- 3) A committee consisting of Janice, Kate Canada, Bob Grace and Nancy Selman was formed to finalize guidelines and budget recommendations.
- 4) Bob Grace will write a RFI for behind the meter wind projects in RI.

#### Actions/Followup

- 1) Guidelines subcommittee will finalize guideline and budget recommendations for the Board.
- 2) Pat Condon will try to find a site that has a PV installation for the DLT training.
- 3) Bob Grace will write a wind RFI.

### **Attendance**

Condon, Pat  
D'Ovidio, Christopher A.  
Goddard, Townsend  
Grace, Bob  
Hartley, Doug  
Jacobson, David  
Keller, Janet  
Lee, Judy Y.  
Lueker, William  
McClanaghan, Janice  
Michaud, Richard  
Moskal, John  
Payne, Ken  
Rose, Vin  
Selman, Nancy  
Stearns, Dave  
Stephens, Erich  
Strous-Canada, Kate  
Teichert, Kurt  
Vild, Bruce  
Warfel, Chris